

## NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* first as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council or the Attorney General. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Register* after the final rules have been submitted for filing and publication.

### NOTICE OF FINAL RULEMAKING

#### TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

#### CHAPTER 5. CORPORATION COMMISSION TRANSPORTATION

#### PREAMBLE

**1. Sections Affected**

R14-5-202  
R14-5-203  
R14-5-204  
R14-5-205

**Rulemaking Action**

Amend  
Amend  
Amend  
Amend

**2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statutes: A.R.S. §§ 40-202, 40-203, 40-321, 40-441, and 40-442 et seq.

Constitutional authority: Arizona Constitution, Article XV

Implementing statute: Not applicable

**3. The effective date of the rules:**

September 15, 2003. These rules are effective in accordance with A.R.S. § 41-1032. These rules were approved by the Commission in Commission Decision No. 65798 on April 9, 2003.

**4. A list of all previous notices appearing in the Register addressing the proposed rules:**

Notice of Public Hearing on Proposed Rulemaking: 8 A.A.R. 4647, November 1, 2002

Notice of Rulemaking Docket Opening: 8 A.A.R. 2975, July 19, 2002

Notice of Proposed Rulemaking: 8 A.A.R. 2940, July 19, 2002

**5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Jason D. Gellman, Commission Counsel, Legal Division

Address: Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

Telephone: (602) 542-3402

Fax: (602) 542-4870

**6. An explanation of the rules, including the agency's reasons for initiating the rules:**

Staff is proposing amendments to transportation rules R14-5-202, R14-5-203, R14-5-204, and R14-5-205. The amendments will update the rules to incorporate the most recent amendments to the Code of Federal Regulations (CFR), Title 49, Parts 40, 191, 192, except I (2) and (3) of Appendix D to Part 192, 193, 195 (except 195.1(b)(2) and (3)) and 199 revised as of January 16, 2002.

**7. A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

None

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**8. A showing of good cause why the rules are necessary to promote a statewide interest if the rules will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

**9. The summary of the economic, small business, and consumer impact:**

Small Business Subject to the Rules: These rules do not change the responsibilities of master meter operators already established in 1970 by the adoption by the Commission of the Code of Federal Regulations, Title 49, Parts 191 and 192.

The new rules will have no effect upon consumers or users of the gas service provided by regulated public utilities as they presently are required to be in compliance with all standards. The rulemaking will benefit consumers, users, and the general public by maintaining a safe pipeline system.

The proposed rules are the least costly method for obtaining compliance with the long standing minimum safety standards. The rules do not impose additional standards. There is no less intrusive method.

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

Several non-substantive, grammatical, and conforming changes were made in addition to updating the Code of Federal Regulations revision dates and were shown in the Notice of Proposed Rulemaking. No substantive changes to the rules have been made since publication on July 19, 2002.

Language in the new federal regulation, 49 CFR 195.50 (See 67 FR 836, January 8, 2002), was included in two parts as follows:

**R14-5-203(B)(2)(f) and (g):**

- f. Release of 5 gallons (19 liters) or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels (0.8 cubic meters) resulting from a pipeline maintenance activity if the release is:
  - i. Not otherwise reportable under this Section;
  - ii. Not one described in 49 CFR 195.52(a)(4);
  - iii. Confined to company property or pipeline right-of-way; and
  - iv. Cleaned up promptly.
- g. Any release of hazardous liquid or carbon dioxide, that was significant in the judgment of the operator even though it did not meet the criteria of any other subsection of this Section.

**R14-5-203(C)(3)(c), (d), and (e) Conforming and efficiency changes pursuant to 67 FR 836:**

- c. The loss of 50 or more barrels of hazardous liquid or carbon dioxide. Release of 5 gallons (19 liters) or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels (0.8 cubic meters) resulting from a pipeline maintenance activity if the release is:
  - i. Not otherwise reportable under this Section;
  - ii. Not one described in 49 CFR 195.52 (a)(4);
  - iii. Confined to company property or pipeline right-of-way; and
  - iv. Cleaned up promptly.
- d. The escape of more than 5 barrels a day of highly volatile liquids into the atmosphere.  
Estimated property damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding \$5,000.
- e. Property damage estimated in excess of \$5,000.

The Commission has been granted agent status allowing it to enforce the Federal Pipeline Safety Standards. To maintain that status the Commission must, pursuant to the Natural Gas Pipeline Safety Act and the Hazardous Liquid Pipeline Safety Act, adopt and keep current with the Federal Pipeline Safety Standards.

**R14-5-202(B), (J), and (K)**

**Issue:** The proposed amendments update the Rules to incorporate the most recent amendments to the Code of Federal Regulations.

**Analysis:** The proposed amendments incorporate the January 16, 2002 Code of Federal Register revisions. No parties opposed the proposed amendments.

**Resolution:** Staff's proposed amendments to the Rule should be adopted.

**R14-5-202(B)** revision, ~~March 1, 2000~~ January 16, 2002

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**R14-5-202(J)** revision, ~~March 1, 2000~~ January 16, 2002

**R14-5-202(K)** revision, ~~March 1, 2000~~ January 16, 2002

**R14-5-203**

**Issue:** The proposed amendments update the Rules to incorporate the most recent amendments to the Code of Federal Regulations.

**Analysis:** The proposed amendments incorporate the January 16, 2002 Code of Federal Register reporting provisions and 'style' revisions. No parties opposed the proposed amendments.

**Resolution:** Staff's proposed amendments to the Rule should be adopted. (See above).

**R14-5-204**

**Issue:** The proposed amendments update the Rules to incorporate the most recent amendments to the hazardous liquids section of Title 49 of the Code of Federal Regulations.

**Analysis:** The proposed amendments incorporate the January 16, 2002 Code of Federal Register revisions. No parties opposed the proposed amendments.

**Resolution:** Staff's proposed amendments to the Rule should be adopted to conform to federal requirements for annual reports.

**R14-5-204(A)(2)** RSPA F7100.2-1 (~~November 1985~~ January 2002 Edition and no future editions)

**R14-5-205(B) and (G)**

**Issue:** Staff's proposed amendments add references to public service corporations and update the rules by changing the dates of the revision of Federal rules.

**Analysis:** The proposed amendments are required for consistency with the federal code. No parties objected to Staff's proposed amendments.

**Resolution:** Staff's proposed amendments to the Rule should be adopted.

**R14-5-205(B) and (G)** ~~March 1, 2000~~ January 16, 2002

Several non-substantive, grammatical, and conforming changes have been made to the last revision of the rules published in the *Register* on May 31, 2002 and included in the Commission's Notice of Proposed Rulemaking published in the July 19, 2002 *Register*. These changes are shown below in **bold** (emphasis added for ease of reference).

**R14-5-202(C)(2)**

2. Substitute "Office of Pipeline Safety, Arizona Corporation Commission, at its office in Phoenix, Arizona" where **the addresses** for the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U. S. Department of Transportation **appears**.

**R14-5-202(F)**

The Office of Pipeline Safety may then extend the **180-day** requirement in order to allow the ratepayer and the operator to implement the written plan to resolve the encroachment.

**R14-5-202(G)**

If the **8-inch** clearance cannot be maintained from other underground structures, a sleeve, casing, or shielding shall be used.

**R14-5-202(H)**

Operators of an intrastate pipeline transporting natural gas or other gas that have regulators, meters, or regulation meter sets that have been out of service for 36 months will abandon those lines and cap all ends. The **operators** **Operator's** steps to accomplish the abandonment shall not exceed six months beyond the 36 months out service status.

**R14-5-202(I)**

The Office of Pipeline Safety may then extend the **180-day** requirement in order to allow the ratepayer and the operator to implement the written plan to resolve the encroachment.

**R14-5-202(S)**

S. All repair work performed on **an** existing intrastate pipeline transporting LNG,

**R14-5-204(A)**

Except for operators of an intrastate pipeline transporting LNG, ~~or~~ hazardous liquid, all other intrastate pipeline operators will file with the Office of Pipeline Safety, not later than March 15, for the preceding calendar year, the following appropriate report(s):

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**R14-5-205(C)(2)**

2. Substitute Office of "Pipeline Safety, Arizona Corporation Commission, at its office in Phoenix, Arizona" where ~~the addresses~~ for the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation ~~appears~~.

**R14-5-205(O)**

incorporated by reference, on file with the Office of the Secretary of State, and copies available ~~from the~~ Commission Office of Pipeline Safety, 1200 West Washington, Phoenix,

The following is a conforming change to reflect the same requirement for plastic pipe as stated in R14-5-202(P):

**R14-5-205(J)**

- J. Operators of a master meter system that construct an underground pipeline using plastic pipe will install the pipe with sufficient slack to allow for thermal expansion and contraction. In addition, all plastic pipe shall be marked CD ~~or CE~~ as required by ASTM.

**11. A summary of the principal comments and the agency response to them:**

Comments were received from Citizens Utilities and supported the Commission's amendments without exception.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None

**13. Incorporations by reference and their location in the rules:**

Title 49, Code of Federal Regulations (CFR), Parts 40, 191, 192, except I (2) of Appendix D to Part 192, 193, 195 (except 195.1(b)(2) and (3)) and 199. These regulations cover the minimum safety standards for construction and operation of gas and hazardous liquid pipelines. These regulations may be found at the Arizona Corporation Commission, Executive Secretaries Office and Utilities Division, Pipeline Safety Section, 1200 West Washington Street, Phoenix, Arizona 85007. These regulations are incorporated by reference in the amended rules at: R14-5-202(B), (C), (E)(1), (E)(2), (J), (K), (P), (Q), and (R); R14-5-203(C)(2), (C)(3), and (C)(5); R14-5-204(A)(1) and (A)(2); and R14-5-205(B), (G), (J), (K), (O), and (P).

**14. Was this rule previously adopted as an emergency rule?**

No

**15. The full text of the rules follows:**

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;  
SECURITIES REGULATION**

**CHAPTER 5. CORPORATION COMMISSION  
TRANSPORTATION**

**ARTICLE 2. PIPELINE SAFETY**

Section

- |            |  |
|------------|--|
| R14-5-202. | Construction and Safety Standards            |
| R14-5-203. | Pipeline Incident Reports and Investigations |
| R14-5-204. | Annual Reports                               |
| R14-5-205. | Master Meter System Operators                |

**ARTICLE 2. PIPELINE SAFETY**

**R14-5-202. Construction and Safety Standards**

- A. Applicability: This rule applies to the construction, reconstruction, repair, operation and maintenance of all intrastate natural gas, other gas, LNG and hazardous liquid pipeline systems, as described in A.R.S. § 40-441.
- B. Subject to the definitional changes in R14-5-201 and the revisions noted in subsection (C), the Commission adopts, incorporates, and approves as its own 49 CFR 40, 191, 192 except I (2) and (3) of Appendix D to Part 192, 193, 195, except 195.1(b)(2) and (3), and 199, revised as of ~~March 1, 2000~~ January 16, 2002 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.
- C. The above mentioned incorporated Parts of 49 CFR, except Parts 191, 193 Subpart A and 195 Subpart A and B, are revised as follows:
  1. Substitute "Commission" where "Administrator of the Research and Special Programs Administration" or "Office of Pipeline Safety" (OPS) appear.

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2. Substitute "Office of Pipeline Safety, Arizona Corporation Commission, at its office in Phoenix, Arizona" where the addresses for the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U. S. Department of Transportation appears.
- D. Operators of an intrastate pipeline will file with the Commission an Operation and Maintenance Plan (O & M), including an emergency plan, 30 days prior to placing a pipeline system into operation. Any changes in existing plans will be filed within 30 days of the effective date of the change.
- E. Operators of an intrastate pipeline transporting sour gas or oil are subject to industry standards addressing facilities handling hydrogen sulfide (H<sub>2</sub>S). Standards adopted are:
  1. NACE Standard MR-0175-99 (1999 Revision); (and no future revisions), Standard Materials Requirements-Sulfide Stress Cracking Resistant Metallic Material for Oilfield Equipment, incorporated by reference and no future amendments. Copies are available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the NACE International, P.O. Box 218340, Houston, Texas 77218-8340 and on file with the Office of the Secretary of State.
  2. API RP55 (1995 Edition); (and no future amendments), API recommended practice for conducting oil and gas production operations involving hydrogen sulfide, incorporated by reference and no future amendments. Copies are available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the CSSINFO, 310 Miller Avenue, Ann Arbor, Michigan, 48103 and on file with the Office of the Secretary of State.
- F. Operators of an intrastate pipeline transporting LNG, hazardous liquid, natural gas or other gas will not construct any part of a hazardous liquid, LNG, natural gas or other gas pipeline system under a building. For building encroachments over a pipeline system, the operator may require the property owner to remove the building from over the pipeline or reimburse the operator the cost associated with relocating the pipeline system. The encroachment shall be resolved within 180 days of discovery, or the operator shall discontinue service to the pipeline system. When the encroachment cannot be resolved within the 180 days the operator shall submit to the Office of Pipeline Safety within 90 days of discovery a written plan to resolve the encroachment. The Office of Pipeline Safety may then extend the 180-day requirement in order to allow the ratepayer and the operator to implement the written plan to resolve the encroachment.
- G. Operators of an intrastate pipeline transporting LNG, hazardous liquid, natural gas or other gas will not construct any part of a pipeline system closer than 8 inches to any other underground structure. If the 8-inch clearance cannot be maintained from other underground structures, a sleeve, casing, or shielding shall be used.
- H. Operators of an intrastate pipeline transporting natural gas or other gas that have regulators, meters, or regulation meter sets that have been out of service for 36 months will abandon those lines and cap all ends. The ~~operators~~ Operator's steps to accomplish the abandonment shall not exceed six months beyond the 36 months out service status.
- I. Operators of an intrastate pipeline shall not install or operate a gas regulator that might release gas in its operation closer than 3 feet to a source of ignition, opening into a building, air intake into a building or to any electrical source not intrinsically safe. The three (3) foot clearance from a source of ignition will be measured from the vent or source of release (discharge port), not from the physical location of the meter set assembly. This subsection shall not be effective with respect to building permits which are issued and subdivisions which are platted prior to October 1, 2000. For encroachment within the required three foot clearance caused by an action of the property owner, occupant or a service provider, after the effective date of this rule the operator may require the property owner to resolve the encroachment or reimburse the operator the cost associated with relocating the pipeline system. The encroachment shall be resolved within 180 days of discovery or the operator shall discontinue service to the effected pipeline system. When the encroachment cannot be resolved within the 180 days the operator shall submit to the Office of Pipeline Safety within 90 days of discovery a written plan to resolve the encroachment. The Office of Pipeline Safety may then extend the 180-day requirement in order to allow the ratepayer and the operator to implement the written plan to resolve the encroachment.
- J. Operators of an intrastate pipeline transporting LNG, natural gas, other gases or hazardous liquid will utilize a cathodic protection system designed to protect the metallic pipeline in its entirety, in accordance with 49 CFR 192, Subpart I, ~~March 1, 2000~~ January 16, 2002 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975 except I (2) and (3) of Appendix D to Part 192 shall not be utilized.
- K. Operators of an intrastate pipeline transporting natural gas or other gas will not use solvent cement to join together plastic pipe manufactured from different materials unless the operator utilizes a joining procedure in accordance with the specifications of 49 CFR 192, Subpart F, ~~March 1, 2000~~ January 16, 2002 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.
- L. Operators of an intrastate pipeline transporting hazardous liquid, natural gas or other gas will not install Acrylonitrile-Butadiene-Styrene (ABS) or aluminum pipe in their pipeline systems.

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- M. Operators of an intrastate pipeline transporting hazardous liquid, natural gas or other gas will not install plastic pipe aboveground unless the plastic pipeline is protected by a metal casing, or equivalent, and approved by the Office of Pipeline Safety. Temporary aboveground plastic pipeline bypasses are permitted for up to sixty (60) days, provided that the plastic pipeline is protected and is under the direct supervision of the operator at all times.
- N. Operators of an intrastate pipeline transporting hazardous liquid, natural gas or other gas that construct a pipeline system or any portion thereof using plastic pipe, will install, at a minimum, a 14-gauge coated or corrosion resistant, electrically conductive wire as a means of locating the pipe while it is underground. Tracer wire shall not be wrapped around the plastic pipe, tracer wire may be taped, or attached in some manner to the pipe provided that the adhesive or the attachment is not detrimental to the integrity of the pipe wall.
- O. Operators of an intrastate pipeline transporting natural gas or other gas pipeline system that construct an underground pipeline system using plastic pipe, will bury the installed pipe with a minimum of 6 inches of sandy type soil surrounding the pipe for bedding and shading, free of any rock or debris, unless otherwise protected and approved by the Office of Pipeline Safety.
- P. Operators of an intrastate pipeline transporting natural gas or other gas pipeline system that construct an underground pipeline system using plastic pipe will install the pipe with sufficient slack to allow for thermal expansion and contraction. In addition, all plastic pipe shall be marked CD or CE as required by ASTM D2513-95c (1995c Edition and no future editions), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the ASTM, 1916 Race Street, Philadelphia, Pennsylvania 19103-1187, for areas where the service temperature is above 100° F.
- Q. Operators of an intrastate pipeline system transporting hazardous liquid, natural gas or other gases shall qualify welding procedures and shall perform welding of steel pipelines in accordance with API Standard 1104. Each welder must be qualified in accordance with API Standard 1104, 49 CFR 192, appendix A. The qualification of welders delineated in 49 CFR 192, appendix C may be used for low stress level pipe.
- R. Operators of an intrastate pipeline transporting natural gas or other gas pipeline system shall survey and grade all detected leakage by the following guide: ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983 except 4.4(c) (1983 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the ASME, United Engineering Center, 345 East 47th Street, New York, N. Y. 10017. ("Should" as referenced in the Guide will be interpreted to mean "shall"). Leakage survey records shall identify in some manner each pipeline surveyed. Records shall be maintained to demonstrate that the required leakage survey has been conducted.
- S. All repair work performed on an existing intrastate pipeline transporting LNG, hazardous liquids, natural gas or other gas pipeline system will comply with the provisions of this Article.
- T. The Commission may waive compliance with any of the aforementioned parts upon a finding that such a waiver is in the interest of public and pipeline safety.
- U. To ensure compliance with provisions of this rule the Commission or an authorized representative thereof may enter the premises of an operator of an intrastate pipeline to inspect and investigate the property, books, papers, business methods, and affairs that pertain to the pipeline system operation.
- V. All other Commission administrative rules are superseded to the extent they are in conflict with the pipeline safety provisions of this Article.

**R14-5-203. Pipeline Incident Reports and Investigations**

- A. Applicability. This rule applies to all intrastate pipeline systems.
- B. Required incident reports by telephone:
  - 1. Operators of an intrastate pipeline transporting LNG, natural gas or other gas pipeline system will notify by telephone the Office of Pipeline Safety upon discovery of the occurrence of any of the following:
    - a. The release of natural gas, other gas or liquefied natural gas (LNG) from a pipeline or LNG facility, when any of the following results:
      - i. Death or personal injury requiring hospitalization.
      - ii. An explosion or fire not intentionally set by the operator.
      - iii. Property damage, including the value of the gas lost, estimated in excess of \$5,000.
    - b. Emergency transmission pipeline shutdown.
    - c. News media inquiry.
    - d. Overpressure of a pipeline system where a pipeline operating at less than 12 PSIG exceeds MAOP by 50%, where a pipeline operating between 12 PSIG and 60 PSIG exceeds MAOP by 6 PSIG or where a pipeline operating over 60 PSIG exceeds MAOP plus 10%.
    - e. Permanent or temporary discontinuance of gas service to a master meter system or when assisting with the isolation of any portion of a gas master meter system due to a failure of a leak test.
    - f. Emergency shutdown of a LNG process or storage facility.

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2. Operators of an intrastate pipeline transporting hazardous liquid will notify by telephone the Office of Pipeline Safety upon discovery of the occurrence of any of the following:
    - a. Death or personal injury requiring hospitalization.
    - b. An explosion or fire not intentionally set by the operator.
    - c. Property damage estimated in excess of \$5,000.
    - d. Pollution of any land, stream, river, lake, reservoir, or other body of water that violates applicable environmental quality, water quality standards, causes a discoloration of the surface of the water or adjoining shoreline, or deposits sludge or emulsion beneath the surface of the water or upon adjoining shorelines.
    - e. News media inquiry.
    - f. Release of 5 gallons (19 liters) or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels (0.8 cubic meters) resulting from a pipeline maintenance activity if the release is:
      - i. Not otherwise reportable under this Section;
      - ii. Not one described in 49 CFR 195.52(a)(4): (1994 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007.
      - iii. Confined to company property or pipeline right-of-way; and
      - iv. Cleaned up promptly.
    - g. Any release of hazardous liquid or carbon dioxide, that was significant in the judgment of the operator even though it did not meet the criteria of any other subsection of this Section.
  3. Telephone incident reports will include the following information:
    - a. Name of the pipeline system operator,
    - b. Name of the reporting party,
    - c. Job title of the reporting party,
    - d. The reporting party's telephone number,
    - e. Location of the incident,
    - f. Time of the incident, and
    - g. Fatalities and injuries, if any.
- C. Require written incident report:
1. Operators of an intrastate pipeline transporting natural gas, LNG or other gases will file a written incident report when an incident occurs involving a natural gas or other gas pipeline that results in any of the following:
    - a. An explosion or fire not intentionally set by the operator.
    - b. Injury to a person that results in one or more of the following:
      - i. Death.
      - ii. Loss of consciousness.
      - iii. Need for medical treatment requiring hospitalization.
    - c. Property damage, including the value of the lost gas, estimated in excess of \$5,000.
    - d. Emergency transmission pipeline shutdown.
    - e. Overpressure of a pipeline system where a pipeline operating at less than 12 PSIG exceeds MAOP by 50%, where a pipeline operating between 12 PSIG and 60 PSIG exceeds MAOP by 6 PSIG or where a pipeline operating over 60 PSIG exceeds MAOP plus 10%.
    - f. Emergency shutdown of a LNG process or storage facility.
  2. Written incident reports concerning natural gas or other gas pipeline systems will be in the following form:
    - a. RSPA F7100.1 - Distribution System: Incident Report, incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007.
    - b. RSPA F7100.2 - Transmission and Gathering System: Incident Report, incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007.
    - c. Written incident reports with respect to LNG facilities will be in an investigative form defining the incident and corrective action taken to prevent a reoccurrence.
  3. Operators of an intrastate pipeline transporting hazardous liquid will make a written incident report on ~~DOT Form~~ RSPA F 7000-1, (January 2001 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix Arizona 85007, when there is a release of hazardous liquid which results in any of the following:
    - a. An explosion or fire not intentionally set by the operator.
    - b. Injury to a person that results in one or more of the following:
      - i. Death.

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- ii. Loss of consciousness.
  - iii. Inability to leave the scene of the incident unassisted.
  - iv. Need for medical treatment.
  - v. Disability which interferes with a person's normal daily activities beyond the date of the incident.
  - c. ~~The loss of 50 or more barrels of hazardous liquid or carbon dioxide.~~ Release of 5 gallons (19 liters) or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels (0.8 cubic meters) resulting from a pipeline maintenance activity if the release is:
    - i. Not otherwise reportable under this Section;
    - ii. Not one described in 49 CFR 195.52 (a)(4); (1994 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007.
    - iii. Confined to company property or pipeline right-of-way; and
    - iv. Cleaned up promptly.
  - d. ~~The escape of more than 5 barrels a day of highly volatile liquids into the atmosphere.~~ Estimated property damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding \$5,000.
  - e. ~~Property damage estimated in excess of \$5,000.~~
  - f. ~~News media inquiry.~~
  - 4. Written incident reports as required in this Section will be filed with the Office of Pipeline Safety, within the time specified below:
    - a. Natural gas, LNG or other gas - within 20 days after detection.
    - b. Hazardous liquids - within 15 days after detection.
  - 5. The Operators shall also file a copy of all DOT required written incident reports with the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, Washington, DC 20590.
  - 6. Operators of a natural gas or other gas pipeline system will request a clearance from the Office of Pipeline Safety prior to turning on or reinstating service to a master meter operator.
- D. Investigations by the Commission:**
- 1. The Office of Pipeline Safety will investigate the cause of incidents resulting in death or serious injury.
  - 2. Pursuant to an investigation under this rule, the Commission, or an authorized agent thereof, may:
    - a. Inspect all plant and facilities of a pipeline system.
    - b. Inspect all other property, books, papers, business methods, and affairs of a pipeline system.
    - c. Make inquiries and interview persons having knowledge of facts surrounding an incident.
    - d. Attend, as an observer, hearings and formal investigations concerning pipeline system operators.
    - e. Schedule and conduct a public hearing into an incident.
  - 3. The Commission may issue subpoenas to compel the production of records and the taking of testimony.
  - 4. Incidents not reported in accordance with the provisions of this rule will be investigated by the Office of Pipeline Safety.
  - 5. Incidents referred to in incomplete or inaccurate reports will be investigated by the Office of Pipeline Safety.
  - 6. Late filed incident reports will be accompanied by a letter of explanation. Incidents referred to in late filed reports may be investigated by the Office of Pipeline Safety.

**R14-5-204. Annual Reports**

- A.** Except for operators of an intrastate pipeline transporting LNG, ~~or~~ hazardous liquid, all other intrastate pipeline operators will file with the Office of Pipeline Safety, not later than March 15, for the preceding calendar year, the following appropriate report(s):
- 1. RSPA F7100.1-1 (November 1985 Edition and no future editions) - "Annual Report for Calendar Year 20\_\_\_\_, Gas Distribution System" and "Instructions for Completing RSPA Form F7100.1-1, Annual Report for Calendar Year 20\_\_\_\_, Gas Distribution System", incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, Room 8417, 400 Seventh Street, S.W., Washington, D.C. 20590.
  - 2. RSPA F7100.2-1 (~~November 1985~~ January 2002 Edition and no future editions) - "Annual Report for Calendar Year 20\_\_\_\_, Gas Transmission and Gathering Systems" and "Instructions for Completing Form RSPA F7100.2-1, Annual Report for Calendar Year 20\_\_\_\_, Gas Transmission and Gathering Systems", incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, Room 8417, 400 Seventh Street, S.W., Washington, D.C. 20590.



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- B. The operator will also file a copy of all required annual reports by March 15 to the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, 400 Seventh Street S.W., Washington, D.C. 20590-0001.

**R14-5-205. Master Meter System Operators**

- A. Applicability. This rule applies to the construction, reconstruction, repair, emergency procedures, operation and maintenance of all master meter systems, as a condition of receiving service from public service corporations. Noncompliance with this rule by operators of a master meter system shall constitute grounds for termination of service by the public service corporation when informed in writing by the Office of Pipeline Safety. In case of an emergency, the Office of Pipeline Safety may give the public service corporation oral instructions to terminate service, with written confirmation to be furnished within 24 hours.
- B. Subject to the definitional changes in R14-5-201 and the revisions noted in subsection (C), the Commission adopts, incorporates, and approves as its own 49 CFR 191 and 192, revised as of ~~March 1, 2000~~ January 16, 2002 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.
- C. The above mentioned incorporated parts of 49 CFR, except Part 191, are revised as follows:
1. Substitute "Commission" where "Administrator of the Research and Special Programs Administration", or "Office of Pipeline Safety" (OPS) appear.
  2. Substitute Office of "Pipeline Safety, Arizona Corporation Commission, at its office in Phoenix, Arizona" where the ~~addresses~~ for the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation appears.
- D. Operators of a master meter system will establish an Operation and Maintenance Plan (O & M) including an emergency plan. The plans must be maintained at the master meter system location.
- E. Operators of a master meter system will not construct any part of a natural gas or other gas system under a building or permit a building to be placed over a pipeline. Within 180 days of discovery of a building being located over a pipeline, the operator shall remove the building from over the pipeline, relocate the pipeline or discontinue the service to the pipeline located under the building.
- F. Operators of a master meter system will not install Acrylonitrile-Butadiene-Styrene (ABS) or aluminum pipe in their systems.
- G. Operators of a master meter system will not use solvent cement to join together plastic pipe manufactured from different materials unless the operator utilizes a joining procedure in accordance with the specifications of 49 CFR 192, Subpart F, ~~March 1, 2000~~ January 16, 2002 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.
- H. Operators of a master meter system that construct a pipeline or any portion thereof using plastic pipe will install, at a minimum, a 14-gauge coated or corrosion resistant, electrically conductive wire as a means of locating the pipe while it is underground. Tracer wire shall not be wrapped around the plastic pipe, tracer wire may be taped, or attached in some manner to the pipe provided that the adhesive or the attachment is not detrimental to the integrity of the pipe wall.
- I. Operators of a master meter system that construct an underground pipeline using plastic pipe, will bury the installed pipe with a minimum of 6 inches of sandy type soil surrounding the pipe for bedding and shading, free of any rock or debris, unless otherwise protected and approved by the Office of Pipeline Safety.
- J. Operators of a master meter system that construct an underground pipeline using plastic pipe will install the pipe with sufficient slack to allow for thermal expansion and contraction. In addition, all plastic pipe shall be marked CD or CE as required by ASTM D2513-95c (1995c Edition and no future editions), incorporated by reference, on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the ASTM, 1916 Race Street, Philadelphia, Pennsylvania 19103-1187, for areas where the service temperature is above 100° F.
- K. Operators of a master meter gas system shall qualify welding procedures and shall perform welding of steel pipelines in accordance with API Standard 1104. Each welder must be qualified in accordance with API Standard 1104, 49 CFR 192, appendix A.
- L. All repair work performed on existing master meter systems will comply with the provisions of this Article.
- M. Operators of a master meter system will not construct any part of a natural gas or other gas system closer than 8 inches to any other underground structure.
- N. Operators of a master meter system will file a Notice of Construction 30 days prior to commencement of the construction of any pipeline. The Notice will contain the following information:
1. The dates of construction,
  2. The size and type of pipe to be used,

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3. The location of construction, and
  4. The Maximum Allowable Operating Pressure (MAOP).
- O.** Operators of a master meter system will perform leakage surveys at intervals not exceeding 15 months but at least once each calendar year and will survey and grade all detected leakage by the following guide -- ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983 (1983 Revision and no future revisions), except 4.4(c), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 and the ASME, United Engineering Center, 345 East 47th Street, New York, New York 10017. ("Should" as referenced in the guide will be interpreted to mean "shall".) Leak detection procedures shall be approved by the Office of Pipeline Safety.
- P.** Operators of a master meter system will file an annual report with the Commission on Commission Form 1-90/15M (1990 Edition and no future editions), "Annual Report for Calendar Year 20\_\_\_\_, Small Operators of Gas Distribution System," incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission, Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007. This report will be filed with the Office of Pipeline Safety not later than April 15 for the preceding calendar year.
- Q.** The Commission may waive compliance with any of the aforementioned parts upon a finding that such a waiver is in the interest of public safety.
- R.** To ensure compliance with provisions of this rule, the Commission or an authorized representative thereof, may enter the premises of an operator of a master meter system to inspect and investigate the property, books, papers, business methods, and affairs that pertain to the operation of the master meter system.
- S.** All other Commission administrative rules are superseded to the extent they are in conflict with the pipeline safety provisions of this Article.